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STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2021-

**AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO APPLY FOR
STATE INFRASTRUCTURE FINANCING AUTHORITY WATER INFRASTRUCTURE
FINANCE AND INNOVATION ACT (SWIFIA) FINANCING FOR THE
CLEAN WATER STATE REVOLVING FUND (CWSRF) PROGRAM**

WHEREAS:

1. The United States of America, pursuant to the Federal Water Pollution Control Act, as amended by, among other laws and regulations, the Water Quality Act of 1987 (33 United States Code Section 1251 et seq.) (Clean Water Act), requires each state to establish a water pollution control revolving fund to be administered by an instrumentality of each state as a condition to receipt of CWSRF capitalization grants under the Clean Water Act;
2. The State of California (State) has, pursuant to Chapter 6.5 (commencing with Section 13475) of Division 7 of the California Water Code, as amended, established the State's CWSRF to be used for purposes of state law and the Clean Water Act;
3. The State Water Resources Control Board (State Water Board) is the State's principal state agency with primary responsibility for the coordination and control of water quality and has the responsibility to administer the CWSRF and to provide financial assistance to municipalities for the construction of eligible projects, all as set forth under state and federal law;
4. The California Infrastructure and Economic Development Bank (IBank) operates pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act and is authorized to act as a conduit issuer of bonds on behalf of the State Water Board;
5. The IBank has issued bonds for the CWSRF program pursuant to the Amended and Restated Master Trust Indenture, dated April 1, 2019 (Master Trust Indenture), and its precursor, and the Amended and Restated Master Payment and Pledge Agreement, dated April 1, 2019 (Master Payment and Pledge Agreement), and its precursor, between IBank and the State Water Board;
6. As of February 2021, the CWSRF has outstanding commitments of approximately \$2.1 billion with an additional \$2.5 billion in potential new commitments on the CWSRF Fundable List for State Fiscal Year (SFY) 2020-21; additional commitments are possible from projects that may be added to the Fundable List by the SFY 2021-22 Intended Use Plan;

D R A F T

7. The forecast of current and new commitments indicates the CWSRF program will need additional cash in 2022;
8. SWIFIA is a new financing program run by the U.S. Environmental Protection Agency (EPA) exclusively for state infrastructure financing authority borrowers, authorized by Congress in Section 4201 of America's Water Infrastructure Act (AWIA) of 2018;
9. The Division of Financial Assistance (DFA) has recently evaluated using SWIFIA to provide additional cash for the current and new commitments by the CWSRF program and determined that SWIFIA financing is a competitive option for leveraging the CWSRF program;
10. On September 15, 2020, DFA submitted a letter of interest to the SWIFIA program requesting SWIFIA financing of \$500,000,000, and DFA received a November 16, 2020, letter from SWIFIA inviting the State Water Board to submit an application for financing up to \$500,000,000; and
11. The SWIFIA financing is expected to be structured as a bond under the Master Trust Indenture and Master Payment and Pledge Agreement.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Authorizes the Executive Director or designee to apply for SWIFIA financing on behalf of the State Water Board to provide funds for the CWSRF program and pay costs associated with submitting an application for SWIFIA financing from the CWSRF's administrative set-aside.
2. Authorizes the Executive Director or designee(s) to work with IBank to negotiate SWIFIA financing documents with the United States Environmental Protection Agency consistent with the Master Trust Indenture and the Master Payment and Pledge Agreement between IBank and the State Water Board.

CERTIFICATION

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on April 6, 2021.

Jeanine Townsend
Clerk to the Board